

SMALL CLAIMS COURT OF NOVA SCOTIA

Citation: *Habib v. McCarthy*, 2025 NSSM 76

Date: 20251107

Docket: 540057

Registry: Bridgewater

Between:

Michel F. Habib

v.

Chasitie Ann McCarthy and Josh Hornsby

Adjudicator: Sarah A. Shiels

Heard: June 24, 2025 and September 8, 2025

Decision: November 7, 2025

Counsel: Michel Habib, self-represented
Chasitie McCarthy and Josh Hornsby, self-represented

By the Court:

Background

[1] The claimant, Michel F. Habib, seeks repayment of a loan in the amount of \$20,000 from the defendants, Chasitie McCarthy and Josh Hornsby. In his notice of claim, Mr. Habib claimed funds were loaned to the defendants on June 5, 2021 for the purpose of purchasing real property.

[2] The defendant Ms. McCarthy disputes the claim on the basis that she has no knowledge of any money loaned and her home was purchased in April, 2021.

[3] The defendant Mr. Hornsby disputes the claim on the basis that he did not borrow money for a deposit to purchase real property or for any other reason.

Facts

[4] Over the span of a decade, Mr. Habib and Mr. Hornsby had a close business and personal relationship. They were involved in operating a number of nightclubs and related to each other like father and son. Sometime after the fall of 2023, they had a falling out.

[5] Mr. Habib testified that he loaned approximately \$30,000 to Mr. Hornsby so that Mr. Hornsby could purchase a residential property with Ms. McCarthy. He asserted the said property was purchased from the proceeds of Menz and Mollyz Bar. Terms of a loan were not committed to writing and no receipt was issued.

[6] It is not disputed that a residential property was purchased by Ms. McCarthy. Moreover, Ms. McCarthy received funds to be used as a downpayment for the purchase of her home from Mr. Hornsby; however, Ms. McCarthy was not aware that any funds came from Mr. Habib.

[7] Mr. Habib testified that he believed the defendants would refinance after taking possession of the house. This did not happen. Mr. Hornsby was not added to the title of the property purchased by Ms. McCarthy.

[8] Mr. Hornsby was adamant that he did not borrow any money from Mr. Habib in the latter's personal capacity. He said he obtained the money for the purchase of the home from selling two vehicles; a 2013 Honda Civic and a 2009 Volkswagen Golf. He testified the vehicles were sold to Mr. Habib.

[9] During the hearing, Mr. Habib said there was an error with his claim and that it should have read January instead of June. He said the money was transferred on February 5, 2021 and Ms. McCarthy was not present.

Analysis

[10] The claimant and Mr. Hornsby had a complex business relationship. There appear to be various unresolved matters between them. The sole issue for this Court to determine is whether there is a legally enforceable debt owed by Mr. Hornsby or Ms. McCarthy to Mr. Habib in the claimed amount of \$20,000.

[11] Ms. McCarthy received funds from Mr. Hornsby to be used as a downpayment for the purchase of residential property. She had no knowledge of these funds being associated with Mr. Habib or a business operated by him.

[12] Mr. Hornsby testified that he sold two vehicles to Mr. Habib totalling \$9,800 and the rest of the funds “up to \$12,000” were already in a bank account held by him.

[13] The Court notes there is legal authority for the proposition that an enforceable debt can arise even without supportive documentation but there must be some evidence of a debt or enrichment of one party to the detriment of another.

[14] Considering all of the evidence, the Court is not satisfied that Mr. Habib loaned funds to Mr. Hornsby or Ms. McCarthy on a personal basis. It is apparent that some funds were transferred to Mr. Hornsby in relation to Mr. Habib’s

business operations but the evidence is not sufficient to establish Mr. Habib's claim that he personally made a legally enforceable loan to Mr. Hornsby.

[15] The terms of the alleged loan are not clear. There was no promissory note, no written agreement, and no receipt. There was no evidence of a mutual intention to create legal relations with respect to a personal debt.

[16] From the Court's perspective, there is inadequate evidence of a binding agreement on the part of Mr. Hornsby, or Ms. McCarthy, to pay any amount of money to Mr. Habib in relation to a personal loan.

Conclusion

[17] The claim is hereby dismissed without costs to either party.

Sarah A. Shiels, Small Claims Court Adjudicator